

No. 6/16 /DPM

Jakarta March 31, 2004

CIRCULAR LETTER

To

ALL COMMERCIAL BANKS

IN INDONESIA

Subject : The Decision on the Margin of Deposit Interest Rate of Third Party Guaranteed by the Government

In regard to the Decree of the Directors of Bank Indonesia Number 31/32/KEP/DIR dated 29 May 1998 concerning the Guarantee for a Third Party Account/Saving and Inter Bank Money Market as amended by Bank Indonesia Regulation Number 3/5/PBI/2001 dated 22 March 2001 (The State Gazette of the Republic of Indonesia Year 2001 No. 23, Supplement of the State Gazette Number 4082), and in regard to The Letter of Indonesian Bank Restructuring Agency Number PROG-2345/BPPN/0700 dated 28 July 2000 concerning The Decision on the Margin of Deposit Interest Rate of a Third Party Guaranteed by the Government, it is deemed necessary to improve the provisions on the margin of interest rate as follows:

1. Margin of a Third Party Saving

Type	Time Period	In Rupiahs (base points)	In foreign exchange (base points)
Deposit	1 month	24 (twenty four)	6 (six)
	3 months	25 (twenty five)	6 (six)
	6 months	25 (twenty five)	6 (six)
	12 months	27 (twenty seven)	6 (six)
	24 months	22 (twenty two)	11 (eleven)

above **the average measured deposit rates** from the bank members of Jakarta Inter Bank Offered Rates (JIBOR) as determined by Bank Indonesia.

2. Margin for Inter Bank Money Market

- a. In Rupiahs, the determined amount is of 77 (seventy seven) basic points above the averaged rates of the Margin for Inter Bank Money Market from the bank members of JIBOR as determined by Bank Indonesia.
- b. In foreign exchange, the determined amount is of 1 (one) basic point below the average rates of the Margin for Inter Bank Money Market from the bank members of JIBOR as determined by Bank Indonesia.

With the promulgation of this Circular Letter, the Circular Letter of Bank Indonesia Number 6/12/DPNP dated 26 February 2004 concerning The Decision on the Margin of Interest Rate of a Deposit from a Third Party Guaranteed by the Government is declared no longer valid.

The provisions in this Circular Letter shall come into force from 1 April 2004.

For the public to be informed, it is ordered that this Circular Letter is promulgated in the State Gazette of the Republic of Indonesia.

Kindly be informed.

BANK INDONESIA

Signed

BUDI MULYA

THE DIRECTOR OF
MONETARY MANAGEMENT